GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:4952
ANSWERED ON:16.12.2016
Exemption of Customs Duty on Life Saving Drugs
Misra Shri Pinaki

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Government has withdrawn the exemption of customs duty on certain life saving drugs and if so, the details thereof;

(b) whether it would result in increase of treatment cost and if so, the corrective measures taken in this regard;

(c) whether the alternative medicines are available for the patients using such drugs; and

(d) if so, the details thereof?

Answer

ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(SHRI FAGGAN SINGH KULASTE)
(a): The Department of Revenue had withdrawn custom duty exemption in case of 76 drugs where sufficient indigenous capacity was available and bulk of the requirement was being met from indigenous sources.

(b) to (d): The Government had carried out a comprehensive exercise to assess the impact of withdrawal of custom duty on the availability and prices of all drugs in respect of which the custom duty had been withdrawn in January, 2016. It was noted that 48 of these drugs had not been imported during last 3 years or the quantity imported, was insignificant. In most other cases, the imports were a small fraction of the total requirements in the country. As far as prices are concerned, it was noted that 17 drugs were included in the National List of Essential Medicines (NLEM), 2015 and, therefore, their prices were linked to the Wholesale Price Index (WPI). The prices of these drugs have gone down as the WPI declined last year. In case of 11 drugs not included in the NLEM, the overall annual increase gets restricted to 10%. However, within these drugs also, the experts in the relevant specialties indicated that a few of them were not in use. In case of three of the drugs, the custom duty exemption was restored as the domestic manufacturing capacity was not found sufficient to meet the requirement as some products were not being manufactured by licensed manufacturers for various reasons.